

**TITLE 19. PUBLIC SAFETY
DIVISION 1. STATE FIRE MARSHAL
CHAPTER 3. FIRE EXTINGUISHERS

INITIAL STATEMENT OF REASONS**

Pursuant to Health and Safety Code §13160 the State Fire Marshal shall administer regulations and standards for the protection and preservation of life and property to control the servicing, charging, and testing of all portable fire extinguishers and for controlling the sales and marketing of such devices

SPECIFIC PURPOSE AND RATIONALE

The specific purpose of these proposed regulations is to:

1. Increase the fee for original and renewal of Certificates of Registration from \$55 to \$85.
2. Increase the fee for limited licenses from \$125 to \$325.
3. Increase the fee for change of location or any license revision requiring physical inspection from \$125 to \$325.
4. Establish an \$85 fee for testing existing Certificate of Registration holders.
5. Establish a \$200 re-inspection fee.
6. Establish a \$25 fee for replacement of a Certificate of Registration or License

These fees and increase in fees are necessary to cover the cost of administering the State Fire Marshals Fire Extinguisher Program, testing, inspections, re-inspections and investigations.

NECESSITY

The fees for the original and renewal of Certificates of Registration have not been changed since 1992. The new proposed fee was derived by utilizing the current Management Services Technicians' salary of \$45 per hour times a processing time of .5 hours per application plus testing time of 1.35 hours, which equals \$83.25. The fees for limited licenses and changes of location or any license revisions requiring physical inspection have not been raised since 2001. Since that time, the cost of administering the program has steadily increased. The proposed fee increases are necessary to cover the cost of administering the program and conducting fire extinguisher inspections and investigations. The current fee being charged for limited licenses is not adequate to cover the cost of the inspections necessary to issue a limited license. The \$200 fee increase to cover the inspection cost was derived by utilizing the current Deputy State Fire Marshal III salary of \$87 per hour times an average inspection time of 2.25 hours which equals \$195.75. Due to funding issues, only a very limited number of investigations are currently being conducted. With the increase in fees, the State Fire Marshal will also be able to fund an Investigator position to conduct much needed investigations and inspections.

Section 595.10(c), Title 19 CCR allows the State Fire Marshal to require Certificate of Registration holders to pass a written examination every four years at the time of certificate renewal. The testing of existing Certificate of Registration holder every four years at the time of renewal is necessary to ensure that the individual certificate holders are both knowledgeable of the regulations and are aware of all changes to the regulations. The proposed regulation establishes an \$85 fee to cover the testing cost. The new proposed fee was derived by utilizing the current Management Services Technicians' salary of \$45 per hour times a processing time of .5 hours per application plus testing time of 1.35 hours, which equals \$83.25.

The establishment of a \$200 re-inspection fee is necessary to cover the cost of conducting re-inspections. The \$200 fee was derived by utilizing the current Deputy State Fire Marshal III salary of \$87 per hour times an average inspection time of 2.25 hours which equals \$195.75. The initial licensing fees were originally predicated upon recovering the cost of an initial inspection and one re-inspection. It has been found that the majority of companies have not passed the initial re-inspection and have required additional re-inspections before passing. The re-inspection fee is necessary to cover the costs of each subsequent re-inspection after the initial re-inspection.

The establishment of the \$25 fee for replacement Certificates of Registration or Licenses is necessary to cover the cost of reissuing those documents. The new proposed fee was derived by utilizing the current Management Services Technicians' salary of \$45 per hour times an average processing time of .5 hours per application.

Program revenue for Fiscal Year (FY) 2006-07 was \$454,142. Projected program expenditure for FY 2007-08 is \$547,911. It is projected that the fee increases will generate an additional \$106,000, which will bring the projected program revenue for FY 2007-2008 to \$560,142.

TECHNICAL, THEORETICAL, AND/OR EMPIRICAL STUDY, OR REPORT

The State Fire Marshal utilized input from the State Fire Marshal's Fire Extinguisher Advisory Committee to analyze the proposed fees.

REASONABLE ALTERNATIVES TO THE REGULATION AND THE STATE FIRE MARSHAL'S REASONS FOR REJECTING THOSE ALTERNATIVES

The State Fire Marshal staff has thoroughly reviewed this proposed regulatory action, including both the negative and positive impacts it will place upon industry. No alternatives considered by the State Fire Marshal would be more effective in carrying out the purpose for which the regulation is proposed, or would be as effective, or less burdensome to affected private persons than the proposed regulations.

ALTERNATIVES – SMALL BUSINESSES

The proposed regulations have no substantial effect to small business and the State Fire Marshal has not identified any alternatives that would lessen any adverse impact, if any, on small business.

EVIDENCE SUPPORTING FINDING OF NO SIGNIFICANT ADVERSE ECONOMIC IMPACT ON ANY BUSINESS

The State Fire Marshal can find no evidence that this action will have a significant adverse economic impact on any business.

COORDINATION WITH FEDERAL LAW

The State Fire Marshal has determined that this proposed regulatory action neither conflicts with, nor duplicates any federal regulation contained in the Code of Federal Regulations.

Specific sections which have been modified:

Section 560 is being proposed to be amended to increase the fee from \$55 to \$85 for original and renewal of Certificates of Registration and includes a fee for the testing of existing Certificate of Registration holders every four years prior to the renewal of their Certificate. The fee for limited fire extinguisher licenses is being amended to increase the fee from \$125 to \$325. The fee for change of location or any license revision requiring physical inspection is being amended to increase from \$125 to \$325. In addition, a \$200 fee for re-inspections and \$25 fee for replacement of Certificates of Registration or Licenses is being proposed to be added.

Necessity: The proposed fees are necessary to cover the cost of administering the Fire Extinguisher program, inspections, testing, and investigations. Limited license fees need to be increased to cover the cost of on-site inspections. The re-inspection fee is necessary to cover the cost of re-inspections, which are necessitated by companies not being adequately prepared for inspections.